Competition Bureau Canada | Bureau de la concurrence Canada

MEASURING PROGRESS

FISCAL YEARS 2015–2018

STRATEGIC VISION IMPACT REPORT

Canada

2018 marked the conclusion of the Competition Bureau's (Bureau) first three-year Strategic Vision. This report provides an at-a-glance summary of achievements over the period according to the Bureau's five key priorities: increase compliance, empower Canadians, promote competition, collaborate with partners and champion excellence.

For detailed year-by-year results, view the related **Annual reports** page.

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Cat. No Iu54-55/2018E-PDF
ISBN 978-0-660-26600-8

Aussi offert en français sous le titre Mesure des Progrès : Exercices 2015-2018 Rapport d'impact sur la vision stratégique.

INCREASE COMPLIANCE

Use all available tools to increase compliance with Canada's competition laws, and prevent and deter anti-competitive or deceptive conduct that could threaten the health, growth and confidence in the Canadian economy.

ESTIMATED CONSUMER SAVINGS

$8.4 billion

FINES IMPOSED BY COURTS

$32 million

ADMINISTRATIVE MONETARY PENALTIES[1]

$30.2 million

ALTERNATE CASE RESOLUTIONS

100

CONSENT AGREEMENTS

42

Cracking Down on Cartels and Bid-Rigging

We took action against cartels and bid-rigging through high-impact consumer-focused cases in the retail gas and auto parts sectors, and protected public infrastructure projects from anti-competitive activities that ultimately cost taxpayers.

Key Achievements

- **Disrupted a retail gas price fixing cartel in Quebec**—the first successfully prosecuted cartel case in decades—over $1.2 million in fines for Les Pétroles Global Inc. and Irving Oil Limited for their roles in the conspiracy.
- Welcomed a **landmark decision of the Supreme Court of Canada** related to the Quebec gas price fixing case—confirmed the Crown's immunity from testifying as a third party in competition-related class actions.
- Obtained **record-setting fines for bid-rigging** in the auto parts sector—a total of $28.7 million, including two of the largest bid-rigging fines ever ordered by a court in Canada: Mitsubishi Electric ($13.4 million) and Showa Corporation ($13 million).
- **Began revising Leniency and Immunity Programs**—strengthening our best tools to combat criminal anti-competitive agreements.
- Initiated a **national bread price-fixing investigation** into a more than decade-long alleged price-fixing arrangement in Canada's grocery sector—Loblaw's immunity application was critical to our investigation.
- Obtained a **seventh and final guilty plea** to conclude our investigation into Quebec sewer service cartels.
- **Launched a dedicated tip line** on fraud, collusion or corruption affecting federal contracts—building trust in government procurement.

[1] Financial penalties.

Driving Innovation Through Competition

Through our enforcement work, we helped spur innovation in products, services and pricing for Canadians—creating fair, competitive market conditions.

Key Achievements

- **Took action to restore retail price competition for ebooks** in Canada—consent agreements with Hachette, Macmillan, Simon & Schuster, HarperCollins and Apple to allow Canadian retailers to offer discounts on eBooks.
- **Preserved competition in the retail gasoline industry** in Canada—consent agreements in the Parkland/Pioneer, Couche-Tard/Ultramar, Parkland/Couche-Tard, and Couche-Tard/Imperial Oil mergers.
- **The Federal Court of Appeal upheld a landmark decision** in our ongoing case against the Toronto Real Estate Board—fighting to allow members to offer innovative brokerage models.
- **Maintained competition and innovation in the agricultural sector**—consent agreement in the Dow/Dupont merger.
- **Defended competition and innovation in healthcare**—consent agreements in the McKesson/Rexall, Teva/Allergan and Pfizer/Hospira mergers.
- **Resolved concerns of abusive conduct in the Ontario water heater rental industry**—consent agreement and $1 million financial penalty obtained from Direct Energy.
- **Conserved competition and consumer choice in retail wireless services** in Manitoba—consent agreement in the Bell/MTS merger.
- **Supported a request by Interac to vary their existing consent agreement**—allowed more flexibility to invest in and develop innovative products and services.

Proactively Promoting Compliance

With a new Compliance Unit and increased outreach and engagement with the business community and other stakeholders, we focused on deterring anti-competitive practices before they could occur.

Key Achievements

- ***Corporate Compliance Programs* bulletin update** based on the latest best practices to help small and medium-sized businesses develop credible and effective compliance programs.
- ***Competition and Compliance Framework* bulletin** to foster transparency and help businesses comply with Canada's competition laws.
- **2016 International Compliance and Ethics Award** from the Society of Corporate Compliance and Ethics.
- **104 compliance outreach meetings and events.**

EMPOWER CANADIANS

Create an environment of competitive prices, greater product choice and informed decision-making for the benefit of all Canadians.

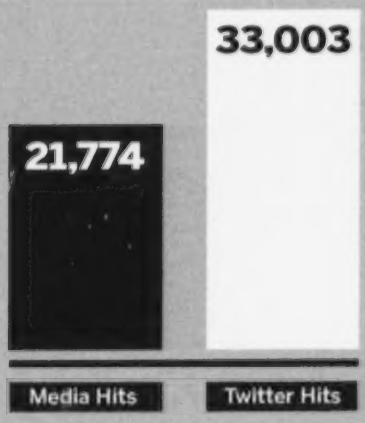
CUSTOMER RESTITUTION
$19.2 million

WEBSITE VISITS
1.4 million

COMPLAINTS AND INFORMATION REQUESTS
31,861

BUREAU PUBLICATIONS
164

CONSUMER AND BUSINESS ALERTS
34



Fighting for Truth in Advertising

We took steps to ensure Canadian consumers have truthful, accurate information from advertisers—with particular focus on building trust in the digital economy.

Key Achievements

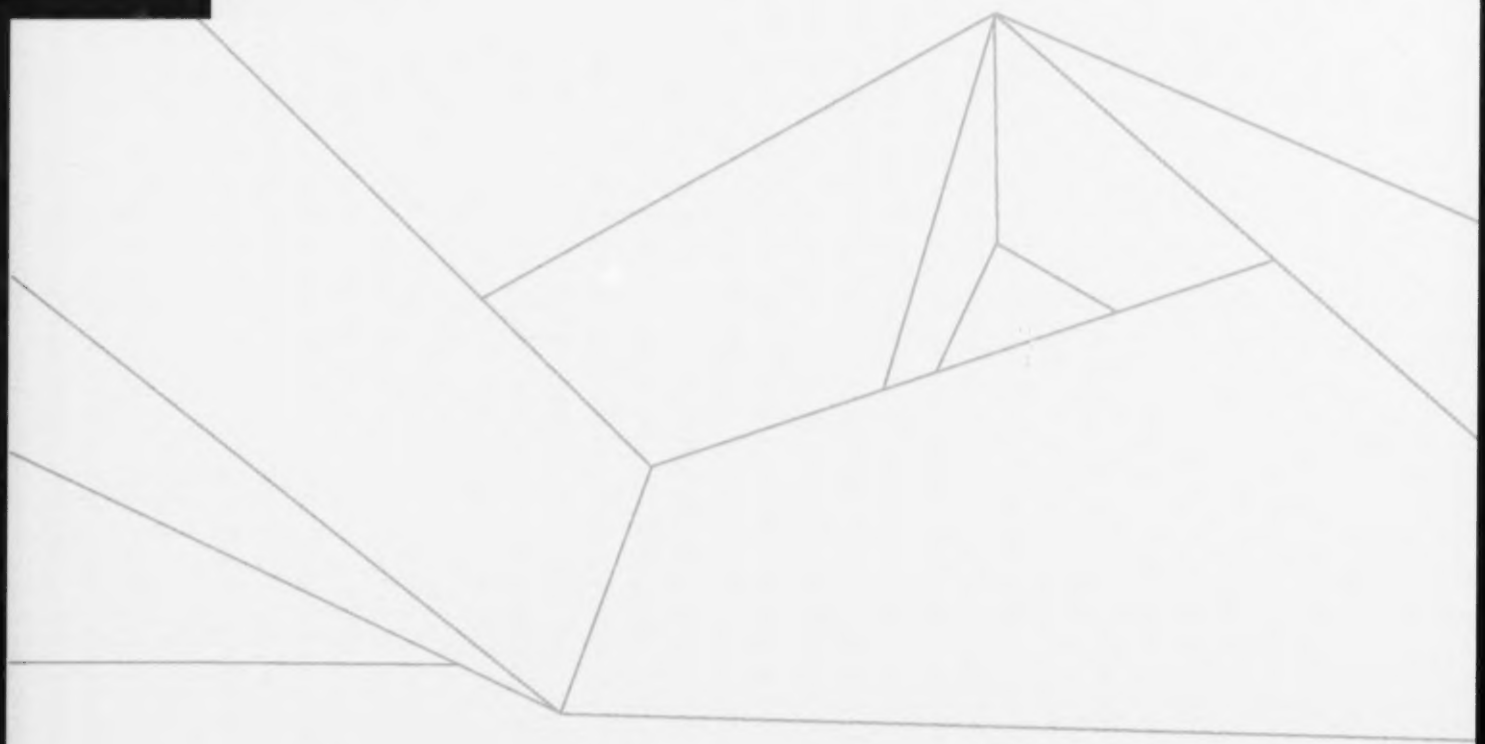
- **18 months of jail time for Montreal businessman** John Dragan convicted of deceptive marketing, including making false product claims and deceiving consumers about delivery times.
- **$19.2 million in available rebates** for Bell and Telus customers who were charged for premium text messaging services they did not want or agree to pay for.
- **$1.25 million in financial penalties paid by Bell**—stopped encouraging certain employees to post positive reviews and ratings for some of the company's mobile apps.
- **$1 million financial penalty paid by Amazon**—put an end to unsubstantiated savings claims on its Canadian website.
- **$5.25 million in financial penalties against the three largest car rental companies** in Canada—ended their practice of advertising unattainable prices to consumers.
- **Commenced an action against Ticketmaster** for allegedly making deceptive claims to consumers on advertised prices for sports and entertainment tickets.
- Took part in **two class-action settlements reached by Volkswagen, Audi and Porsche** with buyers or lessees of certain diesel vehicles, resulting in up to $2.39 billion in compensation to Canadian consumers for false environmental marketing claims—one of the largest settlements ever in Canada.

Shining a Spotlight on Fraud

Ramping up our anti-fraud activities, we launched new tools and shared best practices with partners to help Canadians protect themselves against fraud and deceptive marketing practices.

Key Achievements

- **Increased participation in Fraud Prevention Month** through enhanced Twitter campaigns, increased outreach and partnerships, YouTube videos to connect with more Canadians and publication of the 2nd edition of the *Little Black Book of Scams*.
- Launched a **new warning system alerting Canadians to scams**, false or misleading advertising and deceptive marketing practices, with at least one consumer or business alert issued each month for the past two years.
- Published three volumes of ***The Deceptive Marketing Practices Digest*** providing timely information on everything from deceptive marketing in the digital economy to fostering clarity and confidence in a borderless marketplace.



PROMOTE COMPETITION

Promote and advocate for a more competitive marketplace, emphasizing smart regulation focused on achieving legitimate regulatory objectives.

REPRESENTATION BEFORE REGULATORY BODIES

11

ISSUES OF *THE COMPETITION ADVOCATE*

3

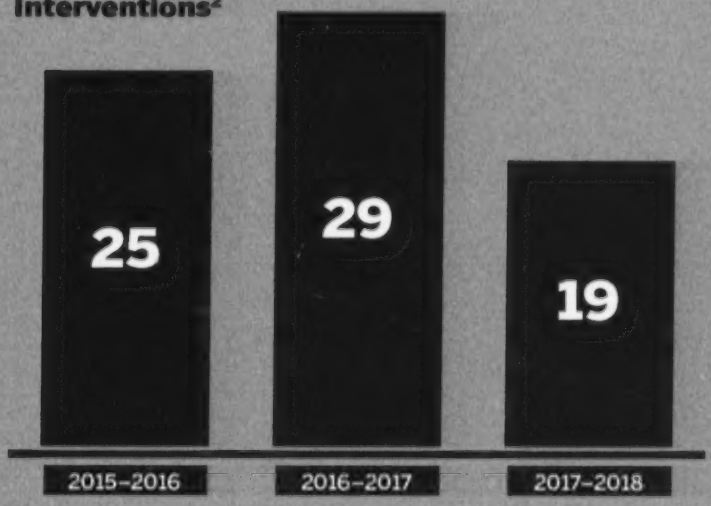
MARKET STUDY

1

WHITE PAPER

1

Other Advocacy Interventions[2]



Supporting an Innovative Digital Economy

We took a close look at emerging areas of Canada's economy to better understand their impact on Canadians and how to ensure competition and innovation within them.

Key Achievements

- A comprehensive **market study of the FinTech industry** with recommendations for policy-makers, based on more than 130 interviews, 50 written submissions and a one-day workshop.
- An award-winning **white paper on big data** that sparked broader policy discussions on how big data challenges can be addressed to support innovation and competition in the marketplace—won a prize from the International Antitrust Writing Awards as one of the top "Soft Law" publications of 2017.

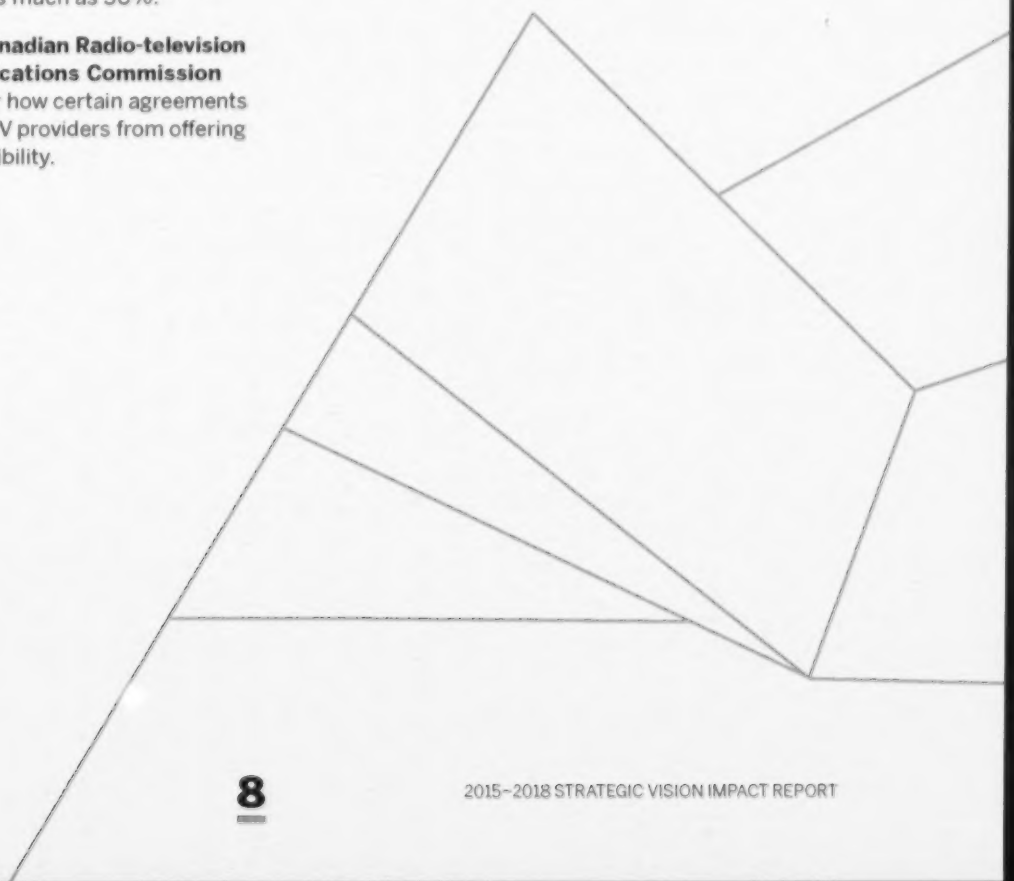
[2] Number of other interventions (outside formal interventions, submissions and appearances before regulatory bodies) may include written submissions, letters, calls and meetings with regulatory groups and other stakeholders.

Advocating for Canadians

We made sure to focus on issues that matter to Canadians—and touch their daily lives.

Key Achievements

- Released a report **encouraging reconsideration of food truck regulations** as part of our commitment to foster innovation through pro-competitive regulation.
- Produced a white paper **on modernizing Canada's taxi industry regulations** that has been used as a reference by many municipalities, making it one of the highest-impact examples of our advocacy work to date.
- Received an **honourable mention in the 2016–2017 Competition Advocacy Contest** of the International Competition Network and World Bank Group for advocating for the removal of an anti-dumping tariff on U.S. drywall sold in Canada that could have raised consumer prices as much as 30%.
- Encouraged the **Canadian Radio-television and Telecommunications Commission (CRTC)** to consider how certain agreements might discourage TV providers from offering "pick-and-pay" flexibility.
- Urged the CRTC to **stop internet service providers who have relationships with content providers from using differential pricing** which can harm competition and impede consumer choice.
- Published three issues of ***The Competition Advocate***, including a call to healthcare regulators to review restrictions on nurse practitioners, which potentially affect wait times, access to services and choice for Canadians.
- **Updated the *Intellectual Property Enforcement Guidelines*** to clarify how we deal with competition issues involving IP—notably called the "most innovative non-enforcement tool" by the International Antitrust Writing Awards.



COLLABORATE WITH PARTNERS

Collaborate with domestic and international partners to promote strong competition principles and expand opportunities for Canadian participation in world markets.

MEETINGS WITH FOREIGN LAW ENFORCEMENT AGENCIES OR COMPETITION AUTHORITIES

89

INTERNATIONAL FORA MEETINGS, CONFERENCES AND WORKSHOPS

75

CAPACITY BUILDING INITIATIVES

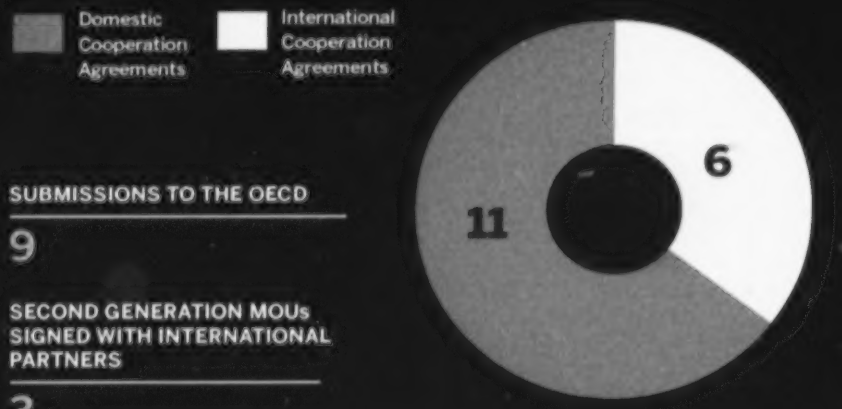
18

SUBMISSIONS TO THE OECD

9

SECOND GENERATION MOUs SIGNED WITH INTERNATIONAL PARTNERS

3



Advancing Competition at Home and Abroad

Working with domestic and international partners, we took steps to protect consumers in Canada and across borders.

Key Achievements

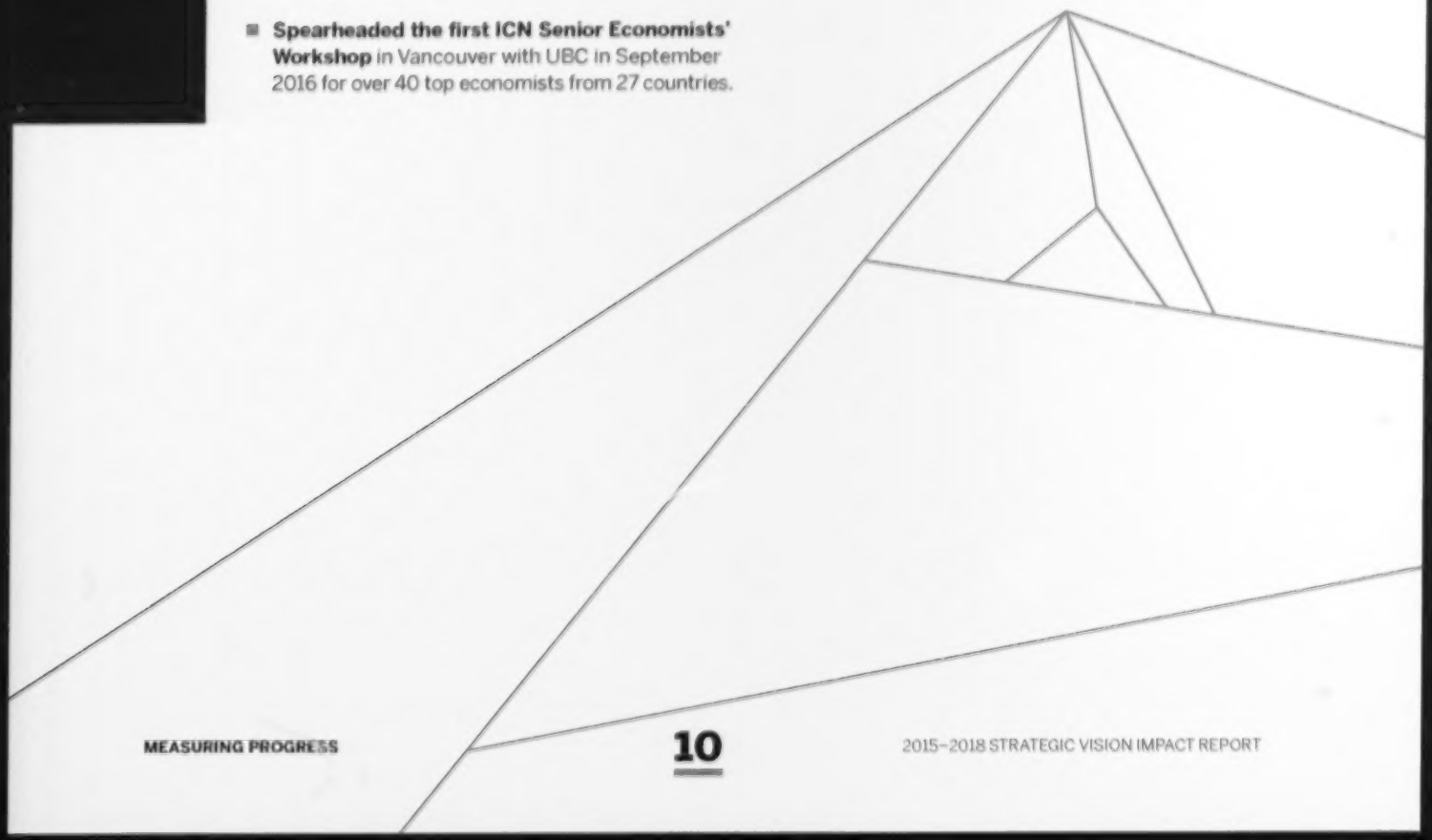
- Reached unprecedented cooperation with the U.S. Department of Justice on a bid-rigging conspiracy which led to a **US$130 million fine** against Nishikawa Rubber for its role in an international bid-rigging conspiracy.
- **Launched the first-ever simultaneously litigated merger challenge** in Canada and the U.S. over the proposed Staples—Office Depot merger together with the U.S. Federal Trade Commission.
- **Supported Canadian trade initiatives** including the Competition Policy Chapter in the ongoing renegotiation of NAFTA and negotiations with Pacific Alliance members.
- **Concluded six cooperation instruments with international partners**, including a memorandum of understanding (MOU) to further enhance cooperation between Canada and China on competition matters and three second-generation MOUs with New Zealand, Hong Kong and Japan.
- **Completed eleven cooperation instruments with domestic partners**, including MOUs with the RCMP, the Inspector General of the City of Montreal, Transport Canada, the Ontario Provincial Police and Consumer Protection BC—all to expand and strengthen collaboration efforts across Canada.
- Finalized MOUs with the **Spectrum and Telecommunications Sector and Investment Review Division of Innovation, Science and Economic Development Canada** (ISED)—to enhance transparency and collaboration.
- **Joined forces with the RCMP and over 90 other partners to launch Fraud Prevention Month** aimed at helping Canadian consumers recognize, reject and report fraud.

Sharing Thought Leadership Internationally

We continued to be active internationally, hosting conferences and participating in numerous capacity-building efforts to exchange best practices with international partners.

Key Achievements

- Contributed to many products and events as **International Competition Network (ICN) Secretariat** since its inception and a member of its Steering Group.
- Acted as the **liaison between the ICN and the OECD** to ensure alignment in the work of these two important bodies.
- **Hosted the 14th annual ICN Cartel Workshop in Ottawa**, attended by 250 representatives from 50 antitrust agencies.
- **Co-chaired the ICN Agency Effectiveness Working Group**, focused on developing and sharing best practices for enforcement planning and operations with a focus on the importance of economics.
- **Spearheaded the first ICN Senior Economists' Workshop** in Vancouver with UBC in September 2016 for over 40 top economists from 27 countries.
- **Co-chaired the ICN Merger Working Group**—activities involved developing the first-ever *Recommended Practices on Merger Remedies* and coordinating panels in Washington and Paris.
- **Delivered submissions and presentations to the OECD Competition Committee** and supported several projects of the OECD Committee on Consumer Policy, including by contributing to recommendations on consumer protection in e-commerce.
- **Participated in and co-led several International Consumer Protection and Enforcement Network working groups** and led an annual Internet sweep focused on identifying websites whose business models rely on online reviews and endorsements.



CHAMPION EXCELLENCE

Promote a culture of excellence throughout the Bureau founded on openness, collaboration and engagement, and securing tangible results.

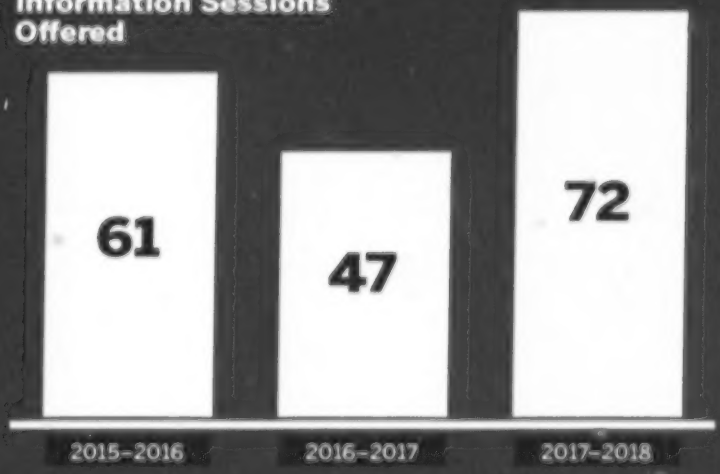
WORKPLACE WELLNESS EVENTS

34

NUMBER OF PUBLIC AND STAKEHOLDER CONSULTATIONS ON DOCUMENTS

15

Training Courses and Information Sessions Offered



Making Our Organization Excellent

Focused on talent development and workplace mental health and wellness, we actively created the conditions for our people to succeed.

Key Achievements

- **Finalized and launched a Talent Management Strategy** to provide clearer paths for career development, training, mobility, engagement and workplace issues—and to attract, grow, engage and retain talent within our organization.
- Emphasized **workplace mental health and wellness**—appointed Workplace Wellbeing Co-Champions, held awareness-raising events such as *Not Myself Today* and Mental Health Week and created a Workplace Wellbeing Network—all to promote a healthy, respectful and inclusive workplace.
- **Facilitated senior and working-level staff interchanges with international partners,** including agencies in the United States, Australia, the European Union, South Korea and Hong Kong—improving cooperation and building stronger international relationships.

Acting Transparently And Accountably

We take our responsibility to be transparent and accountable seriously—mirroring the kinds of behaviours that make for fair competition in the marketplace.

Key Achievements

- **Upgraded our performance measurement framework** to focus on outcome-based performance indicators.
- **Increased consultation on documents** and improved our working relationships with stakeholders such as the Canadian Bar Association and the Competition Tribunal.
- **Developed effective new case resolution techniques** through close collaboration with the Canadian Bar Association and the Competition Tribunal, such as the use of mediation in civil and merger matters.